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FOREIGN EXPERIENCE FOR PROVIDING THE STATE ECONOMIC SECURITY

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ABSTRACT

The article deals with approaches to interpretation of the economic security concept. The main functions of economic security have been characterized, they are divided into five groups: protective, regulatory, preventive, innovative and social. System of the state economy security represented by internal and external subsystems, which have its components, is analyzed. The main elements of external security subsystem are determined as technological, commercial and financial elements. The subsystem of internal security includes the industrial, technical, raw material, energy, ecological, and information components. Accordingly, internal and external threats to the state economic security are identified; they specify the insufficient level of economic stability, and as a consequence, reduction of the economic security level for each state. The main approaches to ensuring economic security in European countries have been considered, as well as analysis of global economic competitiveness dynamics index in European countries in 2016-2017.

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Formulation of scientific problem and its significance. Economic security is a complex and multifactorial system, which is the material basis for other components formation within the national security. Ensuring economic security is one of the main problems of the state, since the emergence of numerous socio-economic problems in the country, as a rule, exists due to the inability of the state to take preventive measures or their implementation. While taking into account all the above information, the state should ensure the corresponding level of security that guarantees internal and external stability required for normal economic functioning and the country's active participation in international division of labor and competitiveness, and at the same time creating the basis for ensuring an adequate level of security.

Analysis of recent research. A lot of scientific works are devoted to the state economic security conditions. In particular, we should note the scientific achievements of the following researchers: V.B. Averyanov, V.G. Atamanchuk, O.M. Bandurka, Yu. P. Bytiak, L.V. Koval, S.I. Lekar, V.F. Opryshko, G.Kh. Popov, V.M. Shapoval, Yu.S. Shemshuchenko, L.P. Yuzkov and others.

The purpose and objectives of the article. The purpose of this article is to study foreign experience in ensuring the country's economic security through systematizing and generalizing the approaches of different countries to the solution of this problem.

Presentation of the main material. Ensuring the security of individual, society and the state, as well as the entire world community is a key civilization goal of the contemporary world economy development.

One should agree with O.V. Skoruk, who notes that foreign and domestic literature contain many approaches to interpretation of the state economic security concept including the following characteristics [5]:

- perseverance and stability, and counteraction to internal and external threats. These definitions mean the strength and reliability of links between all the economic system elements, stability of the country's economic development, resistance to deterrence and elimination of destabilizing threat-factors;

- economic independence that mean, first and foremost, the possibility for economic security and alternative to independently adopt and implement strategic economic and political decisions for development, opportunity to use national competitive advantages for ensuring stability and well-being;

- self-reproduction and self-development. This characteristic involves the creation of necessary conditions for conducting effective economic policy and expanded reproduction, ensuring the competitiveness of national economy within the world;

- national interests. This characteristic determines ability to defend national economic interests.

World experience suggests that no socially oriented market economy can exist without active regulatory role of the state including effectiveness of ensuring the country's economic security. There is no country with a high developed economy, where the state has eliminated the regulation of key socio-economic processes [3].

As a rule, the country's economic security concept acts as a system with the main functions distributed into five groups: protective, regulatory, preventive, innovative and social.

1. The protective function is expressed by the ability to protect the state economic system from internal and external threats. Implementation of this function relates to the economic resource potential formation, and its efficient use.

2. The regulatory function appears in various economic subsystems by ensuring the country's economic security and application of functional mechanisms aimed at the risks elimination.

3. The preventive function of state economic security is focused on anticipating potential crises during economic activity and preparing the state economic system for adversarial processes. This involves socio-economic, organizational and technical measures that result in strengthening the system defense function.

4. The innovative function operates through unconventional decisions of the state regarding economic processes and innovative decisions aimed at accelerating the pace of economic development or neutralizing the possible negative consequences of the latter. The results of this function appear in the economy indirectly and, as a rule, are expressed in the form of increasing effectiveness in other security sectors.

5. The social function of state economic system security implies full satisfaction of the requirements of all society members, and full harmonization of interests. The implementation of this function contributes to raising life level and quality, and guarantees the rights and freedoms protection for citizens.

It should be noted that such a classification of functions concerning the state system of economic security is generally accepted, since these functions are interrelated and interdependent, and often the tasks of one function can be repeated in the definition of another function. The effectiveness of ensuring state economic security depends on the possibility of full functioning in general, and simultaneously. In addition, the problems of these functions may be changed in providing separate components of economic security.

The state economic security system is represented by internal and external subsystems that have their own components (see Figure 1):

- external security subsystem - technological, commercial, financial
- internal security subsystem - industrial-technical, raw material, energy, ecological, informational.

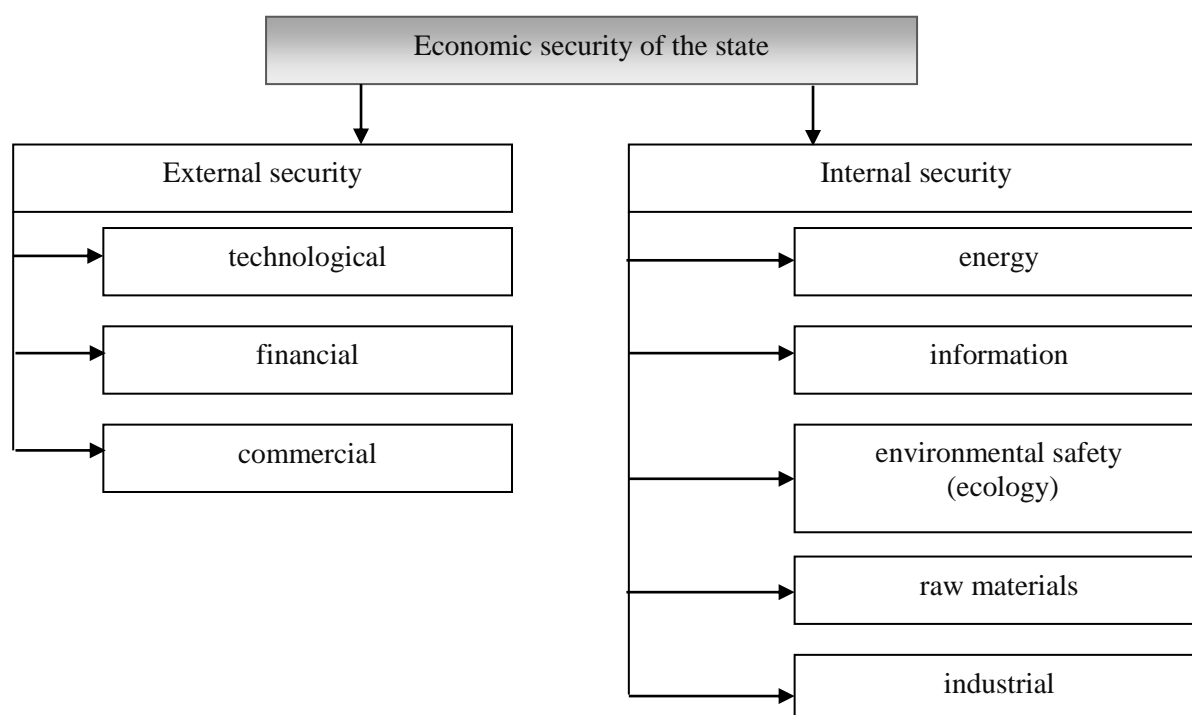


Fig. 1. The structure of state economic security *

*- the author's own development

Thus, the technological component of state economic security is characterized by active participation in international scientific and technological progress, which guarantees the state's ability to apply the latest technological solutions in domestic production and ensures the production competitiveness of national goods and services in the international market.

The commercial component of state economic security (ES) is a great guarantee for diversification of export structure and import trade in the country. In the context of geographical diversification, exports and imports of the country will not depend on the impact of one or more major centers.

The SE financial component can be defined as some ability of the country to implement an independent monetary policy and ensure stable functioning of the financial system through reimbursement of international loans and receipt, distribution, use and return of foreign investment including presence of adverse external and internal conditions.

The significance of industrial and technical component of state economic security leads to production and technical opportunities for the introduction of an expanded economy regeneration. This implies the ability of economy to meet the needs of society, including situations where external or internal economic favorable conditions are violated.

The raw material element of state economic security provides an economic guarantee for the required amount of food and raw materials. The provision of food and raw materials is one of the most important components of state economic security, there are laws defining the minimum standards for ensuring food security in major countries of the world.

The next component of state economic security is energy security, which implies a stable supply of sufficient quantities of energy for domestic consumption. For this, the analyzes that identify the circumstances, emergence of fuel and energy are provided consistently in all countries.

The ecological component of state economic security is the state's ability to timely prevent or eliminate the gap between public interests and environmental protection. The problem of environmental pollutions is closely linked to human economic activity, therefore, anthropogenic impact on the ozone layer, flora and fauna, gene pool and other components of the environment should be minimized for environmental safety.

The information component of state economic security within existing internal and external communications involves such economic activities, which results in reliability of the information exchange, and increase the share of intangible assets in national wealth.

According to the components considered, there are internal and external threats to the economic security of the state, which determine insufficient level of the economy stability, and as a consequence, the reduction of the economic security level for each state. External threats include the

following: instability of the national currency, which occurs in case of unstable situation in the economy during the crisis period; reduction of foreign investments flow; unstable foreign trade conditions; a large external debt, which is a burden for our country and depressively affects the economy development; the state's dependence in the area of energy supply stability and so on.

The major internal threats include: a low level of innovative products; ineffective state economy regulation, that is inconsistent with the tasks of economic growth; and low competitiveness level of products; as well as corruption; a low standard of living for most population, as a consequence of uneven development of territories, the unemployment problems, the impact of global financial crisis, etc.; capital outflow is also a factor that has a certain impact on economic security, and so on.

According to Pritula N.V. [3], the synthesis of foreign experience shows that the provision of economic security in national economy significantly affects the international credibility of the country. In turn, Melnik V.I. [2] adds that most of the national security strategies of the state are aimed at ensuring national and economic security through radical economic reforms, close integration with the world and European security systems, and joining economic and political unions and organizations. In this regard, the application of the positive experience of foreign countries in ensuring economic security should become one of the most important directions for development of the national economy of Ukraine. Consider the main approaches to ensuring economic security in Europe (see Table 1).

Table 1. Comparative characteristics of approaches to ensuring economic security in the European countries *

Country	Characteristics
1	2
I. West European countries, including:	
Germany	There is no special legislative basis for the ES (economic security). The main issues on this issue are established in directives of the Ministry of Defense, which regulate the most important areas of market activity and determine the control functions of the state. The methods used to secure the ES are aimed at supporting civilized market relations, ensuring economic and social progress, preventing monopoly in certain sectors, creating conditions for fair competition and stability of the national currency, protection against economic blackmail.
France	There is no special legislative basis for the ES. Some provisions on the ES (creating conditions for increasing national prosperity and strengthening the country's economic potential) are declared in the Law "On National Security". Methods for ensuring the ES are aimed at reducing the vulnerability of the country's economic system, maintaining the independence of foreign policy, eliminating disproportions in the level of economic entities development; preventing excessive external dependence in the most important sectors of the economy, minimizing the risks associated with dependence on the outside world.
Great Britain	There is no special legislative basis for the ES. The separate rules governing the ES are contained in normative legal acts in the field of defense policy. They are based on assessments of national interests and are realized through their protection. The methods for ensuring the ES are related to predict and prevent the most dangerous external and internal risks. Regarding the development and implementation of decisions relating to the ES provision, emphasis is focused on specialized organizations representing the interests of industrialists and entrepreneurs.
Spain	The legislative framework for ES providing is flexible; it clearly identifies the functions of management bodies and organizations in this area, which create special programs of economic development. Legislation on maintenance of the ES is related to the relevant EU legislation. The methods of ensuring the ES protect interests of priority industries, and they are aimed at stimulating investment activity, ensuring currency control, and developing legislation for joint stock companies.
Italy	There is no special legislative basis for the ES. Italy is guided by its international treaties in providing its ES security. The methods for ensuring the ES are primarily based on protecting the interests of domestic producers in the domestic and foreign markets.

Continuation of Table 1.

II. Central European countries, including:	
Czech Republic, Bulgaria, Hungary, Poland, Slovakia	There is no special legislative basis for the ES. Legislation on maintenance of the ES is related to the relevant EU legislation. When choosing the methods of ensuring the economy of the country, they take into account the existing geopolitical situation, vector and strategy of economic development in accordance with the trends of regional and world evolutionary process, and development of economic reforms.
Romania	Issues of providing the ES are contained in the National Security Strategy. The main areas of ES maintenance are: implementation of effective measures for macroeconomic stabilization, acceleration of structural economic reforms, support of the private sector, attraction of foreign investments and support of small and medium business; harmonization of financial and economic legislation, financial, economic and customs policy with EU legislation, etc.
III. East European countries, including:	
The Russian Federation	The ES maintenance is regulated by the National Security Concept of the Russian Federation; State strategy of economic security of the Russian Federation; RF Law "On Safety". A distinctive feature of legislation is the presence of regional aspects and provisions on the establishment of criteria and indicators for assessing the state economic security. The methods of ensuring the ES are oriented on the implementation of economic reforms in the near future, reducing the danger of increasing the unevenness of the socio-economic development of the regions.
Republic of Belarus	Legally, the ES is reflected in the Concept of National Security of Belarus. The priority directions of the ES maintenance include: development of the economic relations system, creation of mechanisms for solving contradictions arising in society and abolishing the preconditions for their emergence; development of a strategy for ensuring the realization of vital economic interests in the country; formation of a long-term program for economic transformation; ensuring sustainable social and economic development; use of non-inflationary methods for the budget deficit financing and effective redistribution of financial resources; improvement of foreign economic policy; creation of favorable conditions for entrepreneurial activity, etc.
Latvia, Lithuania, Estonia	There is no special legislative basis for the ES. The ES maintenance is based on the relevant EU legal acts. The methods of providing the ES are aimed primarily at the implementation of financial and economic security.

**- compiled by the author on the basis of [1; 6]*

Thus, each country has its own concept of economic security and, accordingly, its methods of provision can be aimed at achieving national, public interests or the sustainability of economic development, or at the independence of the national economy from external markets. Pugach O.A. [4] also emphasizes that the common characteristic and the basis of presented ES systems in different countries is the regulatory framework for domestic and foreign economic operations, including the participation of foreign capital in the national economy, as well as the institutional protection of the national economic interests protection in the context of international integration.

The main indicator that characterizes the economic security level, provided it is increasing, is the economic competitiveness index. In accordance with the characteristics considered, we can analyze the indices of global economic competitiveness of the above-mentioned countries in 2016-2017.

Table 2. Dynamics of the Global Economic Competitiveness Index of European Countries in 2016-2017*

Country	Economic Competitiveness Index		Rating position		Absolute deviation, +/-	
	2016	2017	2016	2017	I e.к.	R
I. West European countries, including:						
Germany	5.53	5.57	5	4	0.04	-1
France	2.13	5.20	22	21	3.07	-1
Great Britain	5.43	5.49	10	7	0.06	-3
Spain	4.59	4.68	33	32	0.09	-1
Italy	4.46	4.50	43	44	0.04	1
II. Central European countries, including:						
Czech Republic	4.69	4.72	31	31	0.03	0
Bulgaria	4.32	4.44	54	50	0.12	-4
Hungary	4.25	4.20	63	69	-0.05	6
Poland	4.49	4.56	41	36	0.07	-5
Slovakia	4.22	4.28	67	65	0.06	-2
Romania	4.32	4.30	53	62	-0.02	9
Ukraine	4.03	4.00	79	85	-0.03	6
III. East European countries, including:						
The Russian Federation	4.44	4.51	45	43	0.07	-2
Latvia	4.45	4.45	44	49	0	5
Lithuania	4.55	4.60	36	35	0.05	-1
Estonia	4.74	4.78	30	30	0.04	0

*- compiled by the author on the basis of [7]

According to the data demonstrated in the Table 2 we can state the fact that selected directions of ensuring economic security in the countries of Europe favorably affect the level of economic competitiveness of these countries. In particular, countries such as Germany, - index of economic competitiveness increased by 0.04 points, France - 3.07 points, the United Kingdom - 0.06 points, Spain - 0.09 points, Bulgaria - 0.12 points - the highest ranking level, Poland - 0.07 points, the Russian Federation - 0.07 points, and Lithuania - by 0.05 points. However, a number of other countries have worsened the value of this indicator and decreased their rating, namely Hungary, whose index of economic competitiveness dropped by 0.05 points, and Romania - 0.02 points.

Having analyzed the economic security systems of the countries with the highest economic development, one can conclude that the most effective systems are economic security in the countries of the European Union such as Germany, France, Great Britain, Italy and Spain. The peculiarities of state policy in these countries are oriented towards increasing the efficiency of the national economy in various spheres, while the data of the countries place high security level as a priority objective.

New countries joining the European Union, namely Bulgaria, Poland, Romania, Slovakia, Czech Republic, Hungary are surviving the ES reforms completion process.

The study conclusions. So, the economic security of the state is a system consisting of interconnected and complementary elements (components), and the level of state economic security depends on the security of each element. In addition, we believe that all discussions that one of the above-mentioned components is more or less important and more attention should be paid to the state security. State economic security is a complex concept, and all security is associated with separate levels of its components security. Therefore, the main task of the state is to provide an adequate level of security for each state economic security component. It should also be noted that constant changes taking place in the world in the sphere of political, economic, social, military and other issues also change the nature and content of threats to economic security, and require simultaneous changes in the policy of the state economic security system.

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